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SUBJECT: Guatemala - Diplomacy and Development Plan for the Global Hunger and Food Security Initiative

REF: A) 09 STATE 124059; B) 09 STATE 127466

1. (U) Summary: Embassy Guatemala welcomes the opportunity to continue its engagement with the Government of Guatemala (GoG) and others on food security (Ref A and B). Guatemala is highly vulnerable to food crises and progress on this issue is integral to economic development. At present, the GoG has a food security plan (the Strategic Plan for Food Security and Nutrition 2009-2012 (PESAN) and various food security institutions in place. Using new and existing diplomatic and programmatic resources, Embassy efforts will support PESAN and bolster the objectives described within the Global Hunger and Food Security Implementation Plan (IP) and the Global Hunger and Food Security Initiative (GHFSI) key principles.

2. (U) Throughout 2010 food insecurity will remain a major issue in Guatemala. Experts expect the food crisis to worsen; though much will depend on the results of the January - February 2010 harvest. Continuing problems will increase pressure on the GoG to respond in a comprehensive and well-funded manner. While the GoG has taken some steps to address the crisis, it also needs to look at more inclusive and holistic solutions to address underlying problems - stagnant economic growth and massive income inequalities - that contribute to food insecurity. Embassy Guatemala has been aggressive in raising hunger issues at the highest levels of government, business and civil society; the Ambassador's visits to child recovery centers and food distribution centers have underscored the need to address food security issues. Throughout FY10, the USG will continue to work with the GoG and civil society on these issues and make food security a priority issue. End Summary.

HIGH LEVEL OF FOOD INSECURITY PROMPTS GOG ACTION

3. (U) With the Western Hemisphere's highest national levels of chronic child malnutrition (43.4%), Guatemala is extremely vulnerable to changes in variables affecting food security. In 2009, drought conditions, the global economic crisis, slumping remittances, increased fertilizer and fuel prices the prior year, and a national poverty rate of 51%, induced a crisis prompting the reluctant President Colom to declare a food security state of emergency. While crisis conditions remain, experts anticipate that the problem will worsen as it expands from Guatemala's Dry Corridor to the Highlands (Altiplano) in the first semester of 2010. In response, Embassy Guatemala established a Food Security Working Group (FSWG) in August 2009 which will continue to coordinate the USG response and the Global Hunger and Food Security Implementation Plan (IP) indefinitely.

4. (U) In June 2009, Guatemala's National Council on Nutritional and Food Security (CONASAN) published the Strategic Plan for Food and Nutritional Security 2009-2012 (PESAN). PESAN identifies five strategic components to improve food security, including: improved food availability, greater public access to the basic basket of goods, improved consumption through nutritional education, improved provision of basic health and hygiene services, and strengthening the institutional capacity of the National System for Food and Nutritional Security (SINASAN) and civil society in food security. The plan enumerates various indicators and objectives to track

progress in achieving these goals.

USING DIPLOMACY TO ADVANCE FOOD SECURITY PRIORITIES

¶15. (U) To address the ongoing food crisis, and to advance the US interest in long-term food security, the USG will leverage various diplomatic and programmatic resources to support PESAN, the objectives of the IP and the Global Hunger and Food Security Initiative (GHFSI) key principles. While different USG agencies will implement programs that complement these goals (see paragraphs 17-32), the Embassy will also engage the GoG at various levels on these issues as appropriate. Different country team members, including the Ambassador, the DCM, the Political/Economic section (P/E), the Public Affairs Section (PAS), USAID, and the U.S. Department of Agriculture (USDA) Foreign Agricultural Service (FAS) will pursue the policies described below using different diplomatic tools and strategies. These reforms aim to enable rural development, enhance coordination between ministries, NGOs, and donors, reduce corruption, and improve the business climate to foster investment in rural and agricultural projects.

STIMULATE RURAL DEVELOPMENT

¶16. (U) The GoG could enable rural development over the coming year by enacting several key policy reforms. The establishment of an effective public-private research and extension system would enable rural communities to harness new technologies and agricultural practices that could improve crop yields - making more food available for family consumption and sales to generate revenue.

Further, a viable extension system would build useful networks for information sharing and provide "Early Warning Alerts" if production declines.

¶17. (U) Other viable means to enable rural development would include strengthening the current sanitary and phyto-sanitary systems (SPS) and streamlining customs procedures, both of which would bolster Guatemalan exports and reduce transaction costs. Public investments in rural infrastructure would also help to connect more farmers to markets. By stimulating rural economic and agricultural development, the GoG would improve food availability for rural populations and increase farmer incomes - two of PESAN's strategic objectives.

IMPROVE STAKEHOLDER COORDINATION

¶18. (U) While the GoG has an established institutional infrastructure to manage questions of food security, improved coordination amongst donors, the GoG, the private sector and civil society on the issue of long-term food security would be a positive reform. The National Council on Food and Nutritional Security (CONASAN) is charged with the creation and implementation of long-term food security policy. However, while there are seats for private sector and civil society representatives, donors do not have a seat and do not provide formal input into the key guiding document, PESAN. Another food security body is the Sectoral Roundtable for Food and Nutritional Security (SAN) which does allow for donor, private sector, and NGO participation, but the group's primary focus is on addressing the short-term food crisis. The Ambassador, using public visits and statements, has emphasized the need for a national response to acute and severe malnutrition.

¶19. (U) The idea of establishing a Roundtable for Rural Development that addresses issues of food security within the context of long-term development has been informally discussed within civil society and government; however, there has not yet been any action by the GoG. USAID strongly supports the establishment of such a body, with the appropriate structure and focus, and raises the issue regularly with GoG interlocutors.

BUILDING ON THE GOG FOOD AND NUTRITIONAL SECURITY STRATEGY (PESAN)

¶10. (U) PESAN represents a positive step towards creating and implementing a country-led strategy for Guatemala. The plan responds to the food crisis and outlines mid-range (three year) country priorities. However, the strategy has identifiable shortcomings, as it is based on an outdated concept of food

self-sufficiency (an issue that is unnecessary in a market with adequate access to international trade). Further, PESAN focuses on food availability and is insufficiently broad to encompass all that is needed for food security in Guatemala. Throughout FY10, the USG, through USAID, will work with the GoG to construct a more inclusive and focused rural growth strategy that builds on PESAN while addressing some of the document's shortcomings.

IMPROVING TRANSPARENCY AND REDUCING CORRUPTION

¶11. (SBU) While the GoG has worked to improve the food security situation, corruption and a lack of transparency undermine such efforts. Problems of corruption and transparency exist throughout the GoG, hampering the delivery of food aid and prompting donors and civil society to question the reliability of some government institutions in delivering assistance. While various social programs run by First Lady Sandra Torres de Colom could offer a mechanism to address the food crisis, the organization's lack of transparency as to who receives benefits makes it an unlikely vehicle for the international community at present. Corruption also deters domestic and international investment, reducing opportunities for employment and furthering food insecurity. In FY10, improving transparency and reducing corruption form parts of various key goals within the Mission Strategic Plan. As such, Embassy Guatemala will continue to work with the GoG on these issues via existing programs and the engagement of GoG interlocutors.

GOG FOOD SECURITY INSTITUTIONS

¶12. (U) To further the policy reforms described above, Post will engage different actors and institutions including the GoG, members of civil society, and multilateral organizations. The GoG's lead institution on issues of food security is the Secretariat of Food and Nutritional Security (SESAN). SESAN reports directly to President Colom. It is led by an appointed Secretary and advised by CONASAN. Chaired by the Vice President, CONASAN is comprised of nine ministers, the Executive Coordinating Secretary for the Presidency, the Secretary for the First Lady's Social Projects, two private sector representatives, and two representatives from civil society. The President of the National Association of Municipalities and the President of the Food and Security

Commission of the Guatemalan Congress also participate. SESAN coordinates the drafting and oversees the implementation of PESAN along with CONASAN.

¶13. (U) The Secretariat for Planning and Programming (SEGEPLAN) will also have a growing role in food security crisis planning and implementation. Following the UN General Assembly Program, "Partnering for Food Security" in September 2009, President Colom asked the Secretary of SEGEPLAN, Karin Slowing, to spearhead food security issues. Since then, she has formed an internal working group with SESAN. The Ministry for Agriculture, Livestock and Food (MAGA) should also play a key role on food security issues.

ENGAGING OTHER DONORS AND STAKEHOLDERS

¶14. (U) Currently, the primary mechanism for engaging other donors, multilateral institutions, and the GoG on issues of food security is through the Roundtable for Food and Nutritional Security (SAN). The roundtable was established in response to the declaration of the food security crisis in September 2009 to facilitate dialogue between the government, the private sector, donors, and civil society. The group's focus is facilitating short-term actions to alleviate the food security crisis. Though this forum does not manage long-term food security issues, it allows the USG to participate in discussions on the short-term issues such as the delivery of aid and the treatment of under-nutrition, which are IP priorities. The USG also works on issues of food security with members of the international community through the G-13 and other bilateral relationships.

¶15. (U) Civil society, academia, and the private sector also have an important role in addressing food security. Within the private sector key institutions include: the National Association of Coffee in Guatemala (AnaCafe), the Association of Guatemala Exports

(AGEXPORT), the Chamber of Agroindustry and Farming/Livestock (CAMAGRO), and the Rural Development Bank (BANRURAL). Local universities such as the University of San Carlos, University of the Valley, Rafael Landivar, and Rural University, are also important in advancing research and development and integrating technology into production. Finally, civil society organizations such as Food and Nutritional Security Observer (OBSAN), alongside indigenous and peasant organizations, play an important role in identifying Guatemala's food security needs and recognizing the potential for crisis. Throughout FY10, State, USAID, and FAS will engage with these and other organizations to support the PESAN food security goals, the IP investments, and the GHFSI key principles.

USG PROGRAMS COMPLEMENT FOOD SECURITY OBJECTIVES

¶16. (U) In addition to the USG's diplomatic efforts that will be pursued throughout the year, various programmatic efforts will begin or will continue that complement GoG and the USG food security priorities. The programs, described below, have different purposes, including: the provision of direct food aid, improving trade, keeping the issue of food security on policymakers' agendas, and engaging current and future food security professionals and decision makers. These programs are in addition to, and complement those described in, the IP.

USAID PLANS FOR FUTURE, ADDRESSES EMERGENCY FOOD NEEDS

¶17. (U) Programs administered by USAID play a key role in the Embassy's efforts to promote food security in Guatemala. During FY10 USAID-Guatemala will address these issues through the IP and ongoing PL-480 Title II programs. The IP will build on the successes of USAID's agricultural development and PL-480 programs by making investments in areas that are key to Guatemalan food security.

¶18. (SBU) The IP identifies three distinct "core investment areas" that target issues to improve access and utilization of food: 1) the first objective is to increase sustainable market-led growth by improving productivity, expanding markets and trade, spurring regional integration, and harnessing global innovation and research; 2) the second objective is to prevent and treat under-nutrition; and the 3) third objective is to increase the impact of humanitarian food assistance. In FY10 and FY11 resources will be used to complete analyses, build coalitions, and build government and civil society capacity necessary for full implementation that would start with FY12 funding. The USG will work with multiple stakeholders, including the GOG, donors, academia, and the private sector, to design interventions that best help Guatemala's rural poor and food insecure populations. For instance, the USG will support GOG efforts to strengthen institutions and policies, laws, and regulations to promote rural

development, such as a developing a functioning research and extension system; sanitary and phytosanitary standards; customs and inspections; streamlining business regulations; credit; and infrastructure policy. U.S. programs will link small-scale farmers to markets and expand trade in such sectors as horticulture, coffee, value-added forest products, and ecological-cultural tourism

¶19. (U) This year, the regular P.L. 480 budget was \$25 million with an additional \$15 million for the Single Year Action Plan (SYAP) to address acute malnutrition in the "Dry Corridor." Program resources provide essential support to vulnerable populations through programs that integrate nutrition, animal husbandry, micro-enterprise, health, education, improved local governance, agriculture and sustainable environmental practices. The Program integrates income generation and maternal/child health interventions that reduce food insecurity while improving the family's livelihood and health. Specifically, USAID implementing partners use food aid rations for targeted supplementary feeding

for 6-36 month-old children and pregnant/lactating women while they work with families to improve and diversify agricultural production (including soil management and conservation practices), micro-enterprise and marketing activities that augment on- and off-farm income sources. Using Food for Work and other resources, limited activities are underway to improve infrastructure in food insecure areas to ease communities' access to markets and to lower business transaction costs. The current program has reached 398 communities and helped 55,718 families. Implemented by NGOs such as Catholic Relief Services, Save the Children, and Share-Guatemala, these programs are aimed at Guatemala's most food-insecure populations.

PAS PROGRAMS WITH AN AGRICULTURAL FOCUS

120. (U) PAS will leverage its public diplomacy programs and resources to support the Mission's food security priorities. The section is actively seeking opportunities to bring speakers on food security-related topics and has already begun the process of identifying a Strategic Speaker Initiative (SSI) speaker on food security in conjunction with Embassy Tegucigalpa. To the extent possible, PAS will utilize its professional and academic exchange programs, such as the International Visitor Leadership Program, Voluntary Visitor Program, the Fulbright Program, and the Community College Initiative, to develop relationships with key policymakers, professionals, and students who have an interest in agriculture and food security. Additionally, PAS is exploring the possibility of bringing U.S. academics in food security-related fields to Guatemala to work with Guatemalan universities, for instance through the Fulbright Senior Specialist Program. PAS will also take advantage of its broad roster of alumni to organize programs, roundtables, and other meetings on the topic of food security, in conjunction with other Embassy sections and agencies.

FAS PROVIDES FOOD AID AND TECHNICAL ASSISTANCE

121. (U) FAS manages several programs critical to the issue of food security in Guatemala. Through these programs, including: Food for Progress (FFPr), Food for Education (FFE), Trade Capacity Building (TCB), and a variety of academic and professional exchange programs, FAS makes an important contribution to Guatemala's food security situation. Through FY10 FAS will continue these programs, all of which are relevant to different IP strategies and GHFSI initiatives. Moreover, with additional funding identified specifically for food security, FAS could take on a variety of high impact programs to further bolster US interests in this area.

122. (U) With USAID funding, FAS will conduct TCB issues in Guatemala through FY10. TCB funding - approximately USD \$1 million for FY10 - is used to provide technical training programs for animal and plant health, as well as food safety, to increase the country's capabilities to support trade and development through the strengthening of the sanitary and phyto sanitary systems. In previous years, the TCB programs have provided GoG officials training in Hazard Analysis and Critical Control Points (HACCP) for the food industry, Good Agricultural Practices (GAPs) and Good Manufacturing Practices (GMPs), Risk Analysis, Laboratory Management, Microbiological Analytical Procedures for Food Borne Pathogens, Pesticide Residue, among others. The program has resulted in trade expansion into higher value products, such as peppers and tomatoes, and the ISO 17025 accreditation of Guatemala's National Laboratory at the Ministry of Health. While TCB funding ends in FY10, FAS has identified it as a program that that could continue to strengthen food security in Guatemala if funding were available.

123. (U) USDA/FAS administers the "Food for Progress," (FFPr) program in Guatemala. Established under the FFPr Act of 1985, U.S.

agriculture commodities are provided to developing countries and emerging democracies committed to introducing and expanding free enterprise in the agricultural sector. Commodities are currently provided on a donation basis to foreign governments, private voluntary organizations (PVOs), non-profit organizations, cooperatives, or intergovernmental organizations. The commodities can be used for direct feeding or can be monetized (sold locally at market price), and proceeds used for food assistance and

agricultural development. USDA/FAS Guatemala works through PVOs to manage the Guatemalan FFP programs. While USDA/FAS does not yet have a firm figure for FY10, the program may provide different PVOs around USD \$10 million for food security related programs.

¶24. (U) USDA also provides food assistance through the McGovern-Dole International Food for Education and Child Nutrition Program (FFE). The program provides U.S. agricultural products and financial and technical assistance for school feeding and maternal and child nutrition projects in low-income sections of Guatemala. In the past in Guatemala, much of the program's funding has been used for direct feeding programs through schools. By doing so, the program simultaneously strengthens education and food security for children.

¶25. (U) FAS manages several fellowship programs that provide technical and academic experts access to agricultural training and facilities in the United States. The Cochran Fellowship Program brings technical experts to the US for 2-6 week trainings on topics such as: Food Regulatory Programs, Food Safety, Pest Risk Analysis, and Bio-Technology. In FY10, pending funding approval, approximately five program slots will focus on supporting food security. The Faculty Exchange program is a 4-5 month program that allows agricultural academics and professionals the opportunity to work in the US. In FY09, a Guatemalan professor at the University of the Valley - a leading Guatemalan university - participated in the program. In FY10, it is likely that Guatemalan will be chosen for the Faculty Exchange Program.

¶26. (U) All of FAS' programs in Guatemala complement the IP. Providing direct food assistance through the FFP and the FFE programs help to alleviate under-nutrition in recipient communities. Furthermore, the programs fund some economic development activities, such as the micro-credit offered through some of the cooperating PVOs. As participants generate additional income they have greater access to food within the market. The USDA/FAS exchange programs also impact economic development by building international relationships and allowing Guatemalan technicians and academics access to U.S. technology and training to improve productivity. Finally, TCB programs specifically address the IP's goal of expanding markets and trade for local Guatemalan producers.

PEACE CORPS VOLUNTEERS EQUIP LOCALS TO EASE FOOD BURDEN

¶27. (U) In January 2010 the Peace Corps will have approximately 220 volunteers on the ground in Guatemala working with local populations on a variety of issues, including food security. Peace Corps' Sustainable Agriculture track helps to enable rural populations to grow small crops at home and in schools (Food Security Track) and to improve agricultural marketing techniques to increase income from food sales (Agricultural Marketing Track). Additionally, the Healthy Schools project trains teachers, parents and students with the goal of promoting healthier food preparation and better eating habits amongst youth and the Healthy Homes project promotes positive health and nutrition practices with rural families. Overall, these components of Peace Corps Guatemala's program are congruent with various goals within the IP and the GHFSI Key Principles.

¶28. (U) The food security component of Peace Corps Guatemala's Sustainable Agriculture project has three objectives: 1) To help families and schools grow sustainable and environmentally friendly vegetable gardens by providing technical assistance (TA); 2) To assist families manage barnyard chicken populations by using sustainable practices; and 3) To train rural families as to the nutritional content and the preparation of home grown vegetables and other agricultural products. More than 50% of program participants and beneficiaries are women. Further, in FY09, the three programs reached thousands of participants, many of which have adopted the prescribed practices and seen increased the production and consumption of homegrown food stuffs (poultry and vegetables).

¶29. (U) The Agricultural Marketing component consists of training producers to more effectively market their products and teaching farmers environmentally sustainable practices to increase crop value. In FY09 over 2,500 Guatemalans received the marketing and

value-added production training and have seen improved sales and increased incomes. In FY10, the project will continue and should reach a similar number of people.

130. (U) All of Peace Corps Guatemala's programs complement the goals of the IP and PESAN. The abovementioned programs help to increase sustainable market-led growth within local communities that are vulnerable to food insecurity. The programs also help to prevent under-nutrition as incomes rise and volunteers give instruction on healthy eating habits. Within PESAN, the programs address the pillars of "Availability" and "Consumption."

APHIS PREVENTS FRUIT FLY OUTBREAKS, BOOSTS EXPORTS

131. (U) Animal and Plant Health Inspection Service (APHIS) works cooperatively with Mexico and Guatemala on the Mediterranean Fruit Fly (MOSCAMED) program. Established in 1981, the program protects agriculture within cooperating countries by establishing medfly-free areas and preventing the spread of medfly populations into existing free areas. The establishment of a free area allows agricultural producers to export their crops to US markets, thereby raising the value of their product and their income. In FY09, APHIS eradicated Medfly from 8,000 square kilometers of land, adding to 123,000 square kilometers of already Medfly free territory. In the next 2-4 years, APHIS hopes to eradicate Medfly from fertile regions such as Champerico, a city on the southern coast with significant tropical fruit production. The program also focuses assistance to peach and pear growers in Alta Verapaz by providing technical assistance in pest and insect control. APHIS' work in Guatemala promotes the IP's goal of increasing production and encouraging regional cooperation, as the program requires the collaboration of Guatemala, the US, and Mexico. Further, the program relates directly to the government's plan of improving access by increasing income levels.

132. (U) APHIS' funding determines the amount of territory it is able to free of medfly each year. APHIS projects that with an additional USD \$4-5 million annually, the program could eradicate the medfly from most of Guatemala within 4-5 years.

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